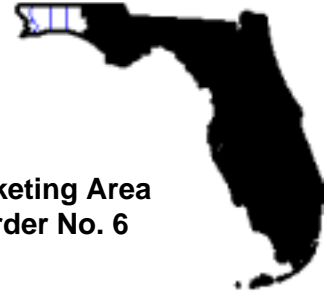


FLORIDA Fluid Milk Report

Sue L. Mosley
Market Administrator

Florida Marketing Area
Federal Order No. 6



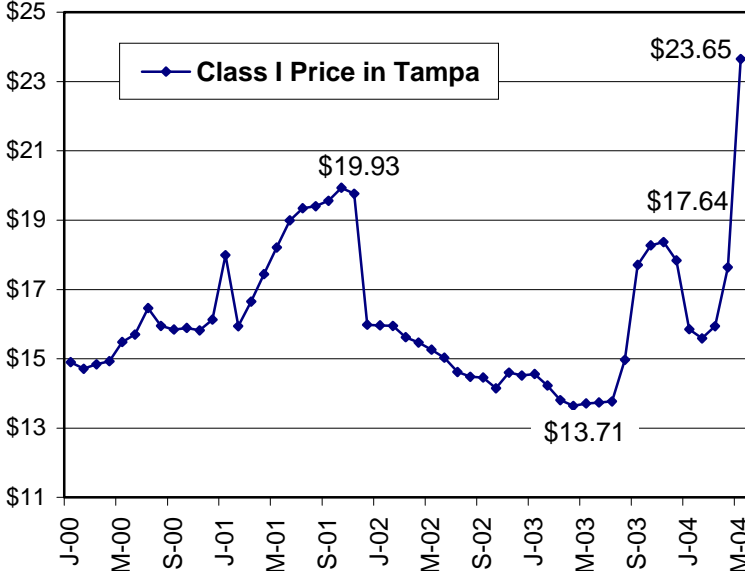
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May 2004

Volume 5—No. 5

Record High Class I Price

With butter prices on the Chicago Mercantile Exchange (CME) averaging over \$2.20/pound and Cheddar cheese blocks and barrels both above \$2.10/pound during the month of April, it should come as no surprise that milk prices are on their way up. So high up, in fact, that the Order minimum Class I price at 3.5 percent butterfat in



Tampa will be \$23.65 per hundredweight in May. This is more than six dollars above April's price and \$3.72 higher than the previous record high of \$19.93 per hundredweight set in October 2001. Perhaps most shocking is how much difference a year can make, with May 2003's Class I price (\$13.71 per hundredweight) a whopping \$9.94 less than next month's Class I value!

Relatively strong demand for dairy products coupled with an expected decline in U.S. production bodes well for producer prices spending much of the year above historical averages. Cow numbers are constrained by the continued ban on Canadian replacements and the size of the U.S. herd is down 1.7 percent from a year ago. Also, milk per cow in the first quarter of 2004 is only 0.8 percent above last year, less than half of the 1.9 percent annual growth rate seen over the past ten years.

Blend Price Up \$1.26

The uniform blend in Hillsborough County, FL, was \$17.74 per hundredweight for milk at 3.5 percent butterfat for the month of April. This is an increase of \$1.26 from last month and is \$4.78 higher when compared with April 2003. Class I utilization was 90.57 percent, an increase of 7.56 percent versus last month and 12.81 percent higher than April 2003.

National Dairy Situation

USDA estimates that the total U.S. production of milk in March was 14.7 billion pounds, which is an increase of 8.4 percent from February and a decrease of 2.1 percent when compared with March 2003. Note that on a daily average basis, March was only 1.4 percent above February.

Total cheese output (excluding cottage cheese) was 779 million pounds, 6.6 percent above March 2003 and 10.6 percent above February 2004. Butter production was 97.7 million pounds in March, 22.7 percent below March 2003 and 7.7 percent below February 2004. Nonfat dry milk production was 118 million pounds, 24.0 percent below March 2003 and 7.3 percent below February 2004.

National Dairy Board Nominations Sought

USDA is requesting nominations be made for the National Dairy Promotion and Research Board by May 31 for the following regions: Region 1 (Oregon and Washington); Region 2 (California); Region 3 (Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming); Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Region 6 (Wisconsin); Region 9 (Indiana, Michigan, Ohio, and West Virginia); Region 10 (Florida, Georgia, North Carolina, South Carolina, and Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Region 12 (New York). Those appointed will serve from Nov. 1, 2004 until Oct. 31, 2007 and administer promotional, educational and research activities financed with the 15-cent per hundredweight assessment on dairy producers who market milk commercially.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - APRIL 2004

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	55.06%	4,708,990	\$2.2525	\$ 10,607,000.00
Class I Differential at Location				193,322.83
Class II Butterfat	37.08%	3,170,546	\$2.5083	7,952,680.51
Class III Butterfat	1.46%	125,239	\$2.5013	313,260.31
Class IV Butterfat	6.40%	546,925	\$2.5013	1,368,023.50
Total Butterfat	100.00%	8,551,700		\$ 20,434,287.15

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$2.3895**

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	91.89%	212,313,609	\$5.96 /cwt.	\$ 12,653,891.09
Class I Butterfat	55.06%	4,708,990	\$2.2525 /lb.	10,607,000.00
Class I Differential at Location		217,022,599		8,883,353.44
Total Class I Milk	90.57%	217,022,599		\$ 32,144,244.53
Class II Skim Milk	6.64%	15,341,280	\$6.66 /cwt.	\$ 1,021,729.24
Class II Butterfat	37.08%	3,170,546	\$2.5083 /lb.	7,952,680.51
Total Class II Milk	7.73%	18,511,826		\$ 8,974,409.75
Class III Skim Milk	0.07%	166,218	\$11.30 /cwt.	\$ 18,782.64
Class III Butterfat	1.46%	125,239	\$2.5013 /lb.	313,260.31
Total Class III Milk	0.12%	291,457		\$ 332,042.95
Class IV Skim Milk	1.40%	3,230,207	\$6.03 /cwt.	\$ 194,781.48
Class IV Butterfat	6.40%	546,925	\$2.5013 /lb.	1,368,023.50
Total Class IV Milk	1.58%	3,777,132		\$ 1,562,804.98
Producer Milk	100.00%	239,603,014		\$ 43,013,502.21

Adjustments

Overage and Other Source	\$27,316.74
Inventory Adjustments	\$46,851.15
Producer butterfat at uniform butterfat price	(\$20,434,287.15)
Location Adjustments to Producers	(\$210,051.67)
1/2 Unobligated Balance in P.S.F.	\$110,832.66

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9,761.54	\$ 22,554,163.94
	\$ 0.04154	\$95,976.22

Uniform Skim Milk Price per cwt. (Hillsborough County, Florida):

\$9.72

Uniform Price per cwt. (Hillsborough County, Florida)

\$17.74*

* At 3.5% butterfat test; for information purposes.

OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	APR 2004	MAY 2004	MAR 2004	APR 2004	APR 2004
Appalachian (Charlotte)	\$ 16.74	\$ 22.75	\$ 15.80	\$ 16.76	76.38%
Arizona-Las Vegas (Phoenix)	\$ 15.99	\$ 22.00	\$ 14.69	\$ 17.29	32.67%
Central (Kansas City)	\$ 15.64	\$ 21.65	\$ 14.63	\$ 15.64	60.62%
Florida (Tampa)	\$ 17.64	\$ 23.65	\$ 16.48	\$ 17.74	90.57%
Mideast (Cleveland)	\$ 15.64	\$ 21.65	\$ 14.68	\$ 15.88	62.30%
Northeast (Boston)	\$ 16.89	\$ 22.90	\$ 15.56	\$ 17.28	48.50%
Pacific Northwest (Seattle)	\$ 15.54	\$ 21.55	\$ 14.55	\$ 15.34	43.24%
Southeast (Atlanta)	\$ 16.74	\$ 22.75	\$ 15.61	\$ 16.72	69.46%
Southwest (Dallas)	\$ 16.64	\$ 22.65	\$ 15.22	\$ 16.18	55.24%
Upper Midwest (Chicago)	\$ 15.44	\$ 21.45	\$ 14.70	\$ 15.55	62.80%

**FLORIDA MILK MARKETING AREA-FEDERAL ORDER 6
STATISTICAL SUMMARY**

Receipts:	April 2004	April 2003
Producer Milk		
Class I	217,022,599	209,474,101
Class II	18,511,826	18,928,204
Class III	291,457	22,173,195
Class IV	3,777,132	18,793,097
Total Producer Milk	<u>239,603,014</u>	<u>269,368,597</u>
Average Butterfat Test	3.57%	3.50%
Percent of Producer Milk in Class I	90.57%	77.76%
Daily Average Receipts	7,986,767	8,978,953
Other Source Milk		
Class I	3,745,004	2,221,818
Class II	9,540,379	12,235,166
Class III	0	9,405
Class IV	1,979,163	1,801,876
Total Other Source Milk	<u>16,268,265</u>	<u>16,268,265</u>
Overage		
Class I	11,299	0
Class II	0	4
Class III	0	0
Class IV	13,534	37,482
Total Overage	<u>24,833</u>	<u>37,486</u>
Opening Inventory		
Class I	12,220,359	10,717,735
Class II	972,759	63,057
Class III	6,840	52,579
Class IV	7,515,252	7,311,836
Total Opening Inventory	<u>20,715,210</u>	<u>18,145,207</u>
Total Receipts	275,607,603	303,819,555
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	14,759,934	11,468,827
Route Disposition Class I	215,596,173	209,908,146
Shrinkage	1,337,336	918,411
Transfers and Diversions to Nonpool	1,305,818	118,270
Total Class I Utilization	<u>232,999,261</u>	<u>222,413,654</u>
Average Butterfat Test	2.16%	2.15%
Daily Average Utilization	7,766,642	7,413,788
Class II Utilization		
Nonfluid Used To Produce	9,516,794	9,163,575
Shrinkage	0	0
Transfers and Diversions to Nonpool	3,112,336	5,237,757
Used To Produce/Other Uses	16,395,834	16,825,099
Total Class II Utilization	<u>29,024,964</u>	<u>31,226,431</u>
Average Butterfat Test	11.42%	9.26%
Class III Utilization		
Shrinkage	0	3,663,460
Transfers and Diversions to Nonpool	298,297	17,556,023
Used To Produce/Other Uses	0	1,015,696
Total Class III Utilization	<u>298,297</u>	<u>22,235,179</u>
Average Butterfat Test	42.56%	3.70%
Class IV Utilization		
Inventory	4,983,820	9,171,839
Nonfluid Used To Fortify	1,683,161	1,529,851
Shrinkage	3,814,898	0
Transfers and Diversions to Nonpool	1,494,204	17,242,601
Used To Produce/Other Uses	1,308,998	0
Total Class IV Utilization	<u>13,285,081</u>	<u>27,944,291</u>
Average Butterfat Test	6.72%	5.90%
Total Utilization	275,607,603	303,819,555

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in April 2004 is \$17.74 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$9.72 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3895 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use accounted for 91.89% of all producer skim milk (priced to handlers at \$5.96 per hundredweight, plus the Class I differential and 55.06% of producer butterfat (priced to handlers at \$2.2525 per pound plus Class I differential). Class II use accounted for 6.64% of all producer skim milk (\$6.66 per hundredweight) and 37.08% of producer butterfat (\$2.5083 per pound). Class III use accounted for 0.07% of all producer skim milk (\$11.30 per hundredweight) and 1.46% of producer butterfat (\$2.5013 per pound). Class IV use accounted for 1.40% of all producer skim milk (\$6.03 per hundredweight) and 6.40% of producer butterfat (\$2.5013 per pound).

Receipts of producer milk during April 2004 totaled 239.6 million pounds, 29.8 million pounds less than was pooled in April of last year. Florida producers supplied 209.8 million pounds of milk in March 2004 to pool plants or 77.56% of the total producer milk pooled in Florida. In March 2003 Florida producers supplied 80.34% of the total producer milk pooled in the Florida market.

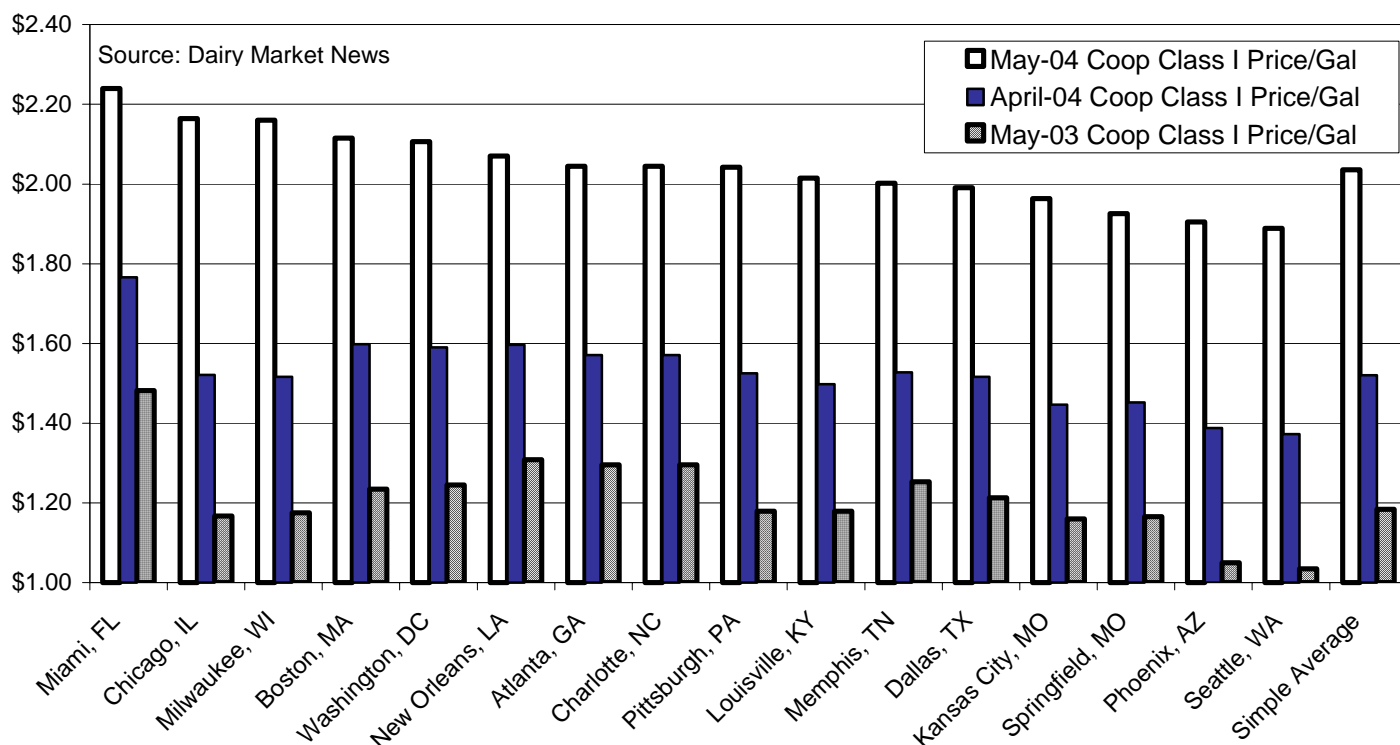
There were 12 regulated pool distributing plants and 3 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2004. In-area Class I route disposition totaled 262.1 million pounds in March 2004, which was 7.8 million pounds more than March of last year. This represents a 5.42 percent increase after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2004		
Whole Milk	107,447,893	41.0%
Fat Free Milk	37,355,656	14.3%
Lowfat Milk (incl. 1%)	24,089,913	9.2%
Reduced Fat Milk (incl. 2%)	68,666,197	26.2%
Cultured Fluid Milk (incl. Buttermilk)	1,422,824	0.5%
Flavored Drinks and Milk	23,155,301	8.8%
Total Disposition in Marketing Area	262,137,784	100.0%
Total Disposition by Pool Plants	226,816,900	86.5%
Total Disposition by Nonpool Plants	35,320,884	13.5%
Total Disposition in Marketing Area	262,137,784	100.0%

Announced Cooperative Class I Price at 3.5% Per Gallon in Selected Cities

The anticipated rise in retail milk prices that have been widely reported should correspond to the rise in prices being paid to dairy cooperatives for Class I milk. Cooperatives announce, at 3.5 percent butterfat, what they will charge for milk used in Class I. Dividing these hundredweight prices by 11.63 yields the per gallon prices found in the chart below. The full report of cooperative Class I prices can be found at www.ams.usda.gov/dairy/mncs/v71rpt17.pdf.

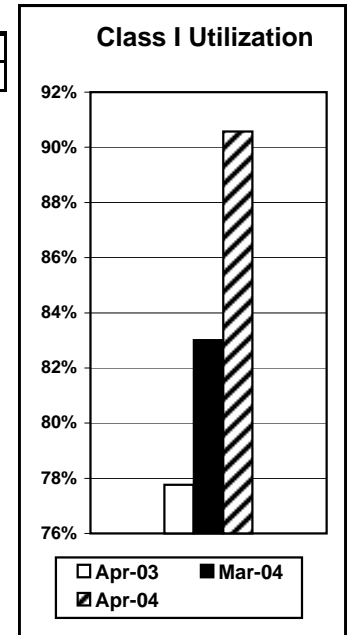


FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
2000 Avg	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
2001 Avg	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
2002 Avg	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
Jan 2003	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan 2004	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74											

FEDERAL ORDER 6 - FLORIDA: POOLED RECEIPTS AND UTILIZATION OF PRODUCER MILK

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
2000 Avg	238,930	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
2001 Avg	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
2002 Avg	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
Jan 2003	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan 2004	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	280**	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%



* Class I and uniform prices are at Hillsborough County (Tampa), Florida; ** Estimated

Florida Marketing Area - Federal Order 6
Pool and Payment Dates For the Pooling Periods
May through July 2004

	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	1st Partial Pay Due		2nd Partial Pay Due		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
May 2004	06/11/04	06/14/04	06/15/04	05/19/04	05/20/04	06/04/04	06/07/04	06/15/04	06/16/04
June 2004	07/11/04	07/12/04	07/13/04	06/21/04	06/21/04	07/06/04	07/06/04	07/13/04	07/14/04
July 2004	08/11/04	08/12/04	08/13/04	07/19/04	07/20/04	08/04/04	08/05/04	08/13/04	08/16/04

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FEDERAL MILK MARKET ADMINISTRATOR
U.S. DEPARTMENT OF AGRICULTURE
P.O. BOX 491778
LAWRENCEVILLE, GEORGIA 30049
Address Correction Requested



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